

Senate Study Bill 1242

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
ECONOMIC GROWTH BILL
BY CO=CHAIRPERSON HATCH)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to economic development activities, providing for
2 tax credits, and making appropriations.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 2684SC 81
5 tm/cf/24

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1 1 DIVISION I
1 2 GROW IOWA VALUES FUND AND BOARD
1 3 Section 1. Section 15.108, subsection 9, Code 2005, is
1 4 amended by adding the following new paragraph:
1 5 NEW PARAGRAPH. g. Administer the marketing strategies
1 6 selected pursuant to section 15G.109.
1 7 Sec. 2. NEW SECTION. 15G.101 DEFINITIONS.
1 8 As used in this chapter, unless the context otherwise
1 9 requires:
1 10 1. "Board" means the grow Iowa values board established in
1 11 section 15G.102.
1 12 2. "Department" means the grow Iowa department of economic
1 13 development created in section 15.105.
1 14 3. "Director" means the director of the department of
1 15 economic development.
1 16 4. "Fund" means the grow Iowa values fund created in
1 17 section 15G.108.
1 18 Sec. 3. NEW SECTION. 15G.102 GROW IOWA VALUES BOARD.
1 19 1. The grow Iowa values board is established consisting of
1 20 eleven voting members and four ex officio, nonvoting members.
1 21 The grow Iowa values board shall be located for administrative
1 22 purposes within the department and the director shall provide
1 23 office space, staff assistance, and necessary supplies and
1 24 equipment for the board. The director shall budget moneys to
1 25 pay the compensation and expenses of the board. In performing
1 26 its functions, the board is performing a public function on
1 27 behalf of the state and is a public instrumentality of the
1 28 state.
1 29 2. a. The eleven voting members of the board shall be
1 30 appointed by the governor, subject to confirmation by the
1 31 senate.
1 32 b. The four ex officio, nonvoting members shall be
1 33 appointed as follows:
1 34 (1) One member appointed by the president of the senate.
1 35 (2) One member appointed by the minority leader of the
2 1 senate.
2 2 (3) One member appointed by the speaker of the house of
2 3 representatives.
2 4 (4) One member appointed by the minority leader of the
2 5 house of representatives.
2 6 (5) For purposes of this paragraph, if an equal number of
2 7 candidates from two political parties are elected to a house
2 8 and become members by oath or affirmation, the appointing
2 9 authorities referenced in this paragraph shall be considered
2 10 to be the two co-presidents in the senate or the two co=
2 11 speakers in the house of representatives unless the house
2 12 otherwise provides. For purposes of this section, "political
2 13 party" means a party whose registered voters constitute one of
2 14 the two highest numbers of party registrants in this state.
2 15 c. All appointments shall comply with sections 69.16 and
2 16 69.16A.

2 17 d. Each of the following areas of expertise shall be
2 18 represented by at least one member of the board who has
2 19 professional experience in that area of expertise:

- 2 20 (1) Finance and investment banking.
- 2 21 (2) Advanced manufacturing.
- 2 22 (3) Statewide agriculture.
- 2 23 (4) Life sciences.
- 2 24 (5) Small business development.
- 2 25 (6) Information technology.
- 2 26 (7) Economics.
- 2 27 (8) Labor.
- 2 28 (9) Marketing.
- 2 29 (10) Entrepreneurship.

2 30 e. At least nine voting members of the board shall be
2 31 actively employed in the private, for-profit sector of the
2 32 economy.

2 33 f. The board membership shall be balanced between
2 34 representation by employers with less than two hundred
2 35 employees and employers with two hundred or more employees.

3 1 g. At least two voting members shall be less than thirty
3 2 years of age at the time of appointment.

3 3 3. The chairperson and vice chairperson shall be elected
3 4 by the voting members of the board from the membership of the
3 5 board. In the case of the absence or disability of the
3 6 chairperson and vice chairperson, the voting members of the
3 7 board shall elect a temporary chairperson by a majority vote
3 8 of those voting members who are present and voting, provided a
3 9 quorum is present.

3 10 4. The members of the board shall be appointed to three=
3 11 year staggered terms and the terms shall commence and end as
3 12 provided in section 69.19. If a vacancy occurs, a successor
3 13 shall be appointed in the same manner and subject to the same
3 14 qualifications as the original appointment to serve the
3 15 unexpired term.

3 16 5. A majority of the voting members of the board
3 17 constitutes a quorum.

3 18 6. A member of the board shall abstain from voting on the
3 19 provision of financial assistance to a project which is
3 20 located in the county in which the member of the board
3 21 resides.

3 22 7. The members of the board are entitled to receive
3 23 reimbursement for actual expenses incurred while engaged in
3 24 the performance of official duties. A board member may also
3 25 be eligible to receive compensation as provided in section
3 26 7E.6.

3 27 Sec. 4. NEW SECTION. 15G.103 BOARD DUTIES.

3 28 The board shall do all of the following:

3 29 1. Organize.

3 30 2. Receive advice and recommendations from the due
3 31 diligence committee and the economic development marketing
3 32 board.

3 33 3. Assist the department in implementing programs and
3 34 activities in a manner designed to achieve the goals set out
3 35 in section 15G.107.

4 1 4. By December 15 of each year, submit a written report to
4 2 the general assembly reviewing the activities of the board
4 3 during that calendar year. The report shall include
4 4 information necessary for the review of the goals and
4 5 performance measures set out in section 15G.107. State
4 6 agencies and other entities receiving moneys from the fund
4 7 shall cooperate with and assist the board in compilation of
4 8 the report.

4 9 5. Adopt administrative rules pursuant to chapter 17A
4 10 necessary to administer this chapter.

4 11 Sec. 5. NEW SECTION. 15G.104 DUE DILIGENCE COMMITTEE.

4 12 1. A due diligence committee is established consisting of
4 13 five members and is located for administrative purposes within
4 14 the department. The director of the department shall provide
4 15 office space, staff assistance, and necessary supplies and
4 16 equipment for the committee. The director shall budget moneys
4 17 to pay the compensation and expenses of the committee. In
4 18 performing its functions, the committee is performing a public
4 19 function on behalf of the state and is a public
4 20 instrumentality of the state.

4 21 2. a. Membership of the due diligence committee shall
4 22 consist of five voting members of the grow Iowa values board
4 23 elected annually by the voting members of the board.
4 24 Committee members shall have expertise in the areas of banking
4 25 and entrepreneurship.

4 26 b. The chairperson and vice chairperson of the committee
4 27 shall be elected by and from the committee members. The terms

4 28 of the members shall commence and end as provided by section
4 29 69.19. If a vacancy occurs, a successor shall be appointed in
4 30 the same manner and subject to the same qualifications as the
4 31 original appointment to serve the unexpired term. A majority
4 32 of the committee constitutes a quorum.

4 33 3. The committee, after a thorough review, shall determine
4 34 whether a proposed project using moneys from the grow Iowa
4 35 values fund is practical and shall provide recommendations to
5 1 the grow Iowa values board regarding any moneys proposed to be
5 2 expended from the grow Iowa values fund, with the exception of
5 3 moneys appropriated for purposes of the loan and credit
5 4 guarantee program and regarding whether a proposed project
5 5 under the loan and credit guarantee program is practical. The
5 6 recommendations shall be based on whether the expenditure
5 7 would make the achievement of the goals in accordance with the
5 8 performance measures set out in section 15G.107 more likely.
5 9 The recommendations may include conditions or that a proposed
5 10 expenditure be rejected.

5 11 4. The members of the committee are entitled to receive
5 12 reimbursement for actual expenses incurred while engaged in
5 13 the performance of official duties. A committee member may
5 14 also be eligible to receive compensation as provided in
5 15 section 7E.6.

5 16 Sec. 6. NEW SECTION. 15G.105 WAGE THRESHOLDS == HEALTH
5 17 CARE BENEFITS.

5 18 1. The amount of financial assistance awarded by the grow
5 19 Iowa values board from moneys in the grow Iowa values fund
5 20 shall be based on the average wage of those jobs created that
5 21 meet or exceed the following wage requirements:

5 22 a. Up to three thousand dollars per new job created shall
5 23 be awarded if fifty percent or more of the jobs created pay
5 24 wages of at least one hundred ten percent of the average
5 25 county wage or average regional wage, whichever is lower.

5 26 b. Up to four thousand dollars per new job created shall
5 27 be awarded if fifty percent or more of the jobs created pay
5 28 wages of at least one hundred twenty percent of the average
5 29 county wage or average regional wage, whichever is lower.

5 30 c. Up to five thousand dollars per new job created shall
5 31 be awarded if fifty percent or more of the jobs created pay
5 32 wages of at least one hundred thirty percent of the average
5 33 county wage or average regional wage, whichever is lower.

5 34 d. Up to six thousand dollars per new job created shall be
5 35 awarded if fifty percent or more of the jobs created pay wages
6 1 of at least one hundred forty percent of the average county
6 2 wage or average regional wage, whichever is lower.

6 3 e. Up to seven thousand dollars per new job created shall
6 4 be awarded if fifty percent or more of the jobs created pay
6 5 wages of at least one hundred fifty percent of the average
6 6 county wage or average regional wage, whichever is lower.

6 7 2. In addition to the amount of financial assistance
6 8 awarded under subsection 1, an additional one thousand dollars
6 9 per new job created shall be awarded if the recipient provides
6 10 and pays at least eighty percent of the cost of a standard
6 11 medical and dental insurance plan for all employees working at
6 12 the facility in newly created jobs.

6 13 Sec. 7. NEW SECTION. 15G.107 GOALS AND PERFORMANCE
6 14 MEASURES.

6 15 1. In performing the duties provided in this chapter,
6 16 chapter 15, and chapter 15E, the grow Iowa values board, the
6 17 due diligence committee, and the department shall strive to
6 18 achieve the goals of expanding and stimulating the state
6 19 economy, increasing the wealth of Iowans, and increasing the
6 20 population of the state.

6 21 2. Achievement of the goals stated in subsection 1 shall
6 22 be examined on a regional basis using the calendar year 2003
6 23 as a baseline year. The grow Iowa values board shall identify
6 24 and establish performance measures designed to meet the goal
6 25 of achieving an increase of thirty percent in the baseline
6 26 performance measures.

6 27 Sec. 8. NEW SECTION. 15G.108 GROW IOWA VALUES FUND.

6 28 A grow Iowa values fund is created in the state treasury
6 29 under the control of the department of economic development
6 30 consisting of moneys appropriated to the department. Moneys
6 31 in the fund are not subject to section 8.33. Notwithstanding
6 32 section 12C.7, interest or earnings on moneys in the fund
6 33 shall be credited to the fund. The fund shall be administered
6 34 by the department, which shall make expenditures from the fund
6 35 consistent with this chapter and pertinent Acts of the general
7 1 assembly. Any financial assistance provided using moneys from
7 2 the fund may be provided over a period of time of more than
7 3 one year. Payments of interest, repayments of moneys loaned

7 4 pursuant to this chapter, and recaptures of grants or loans
7 5 shall be deposited in the fund.

7 6 DIVISION II

7 7 BUSINESS DEVELOPMENT

7 8 Sec. 9. NEW SECTION. 15G.113 APPROPRIATIONS == BUSINESS
7 9 DEVELOPMENT.

7 10 1. If moneys are appropriated to the department of
7 11 economic development from the grow Iowa values fund created in
7 12 section 15G.108, the department may use such moneys for
7 13 purposes of programs administered by the department of
7 14 economic development.

7 15 2. Notwithstanding section 8.33, moneys that remain
7 16 unexpended at the end of a fiscal year shall not revert to any
7 17 fund but shall remain available for expenditure for the
7 18 designated purposes during the succeeding fiscal year.

7 19 3. For each year that moneys are appropriated to the
7 20 department from the grow Iowa value fund, the grow Iowa values
7 21 board shall allocate a percentage of the moneys for each of
7 22 the following types of activities:

- 7 23 a. Business start-ups.
- 7 24 b. Business expansion.
- 7 25 c. Business modernization.
- 7 26 d. Business attraction.
- 7 27 e. Business retention.
- 7 28 f. Marketing.

7 29 As part of making the allocations under this subsection, at
7 30 least ten percent of any appropriations shall be allocated to
7 31 the community economic betterment account and the value-added
7 32 agricultural products and processes financial assistance
7 33 program.

7 34 4. The department shall require an applicant for moneys
7 35 appropriated to the department from the grow Iowa values fund
8 1 to include in the application a statement regarding the
8 2 intended return on investment. A recipient of moneys
8 3 appropriated to the department from the grow Iowa values fund
8 4 shall annually submit a statement to the department regarding
8 5 the progress achieved on the intended return on investment
8 6 stated in the application. The department, in cooperation
8 7 with the department of revenue, shall develop a method of
8 8 identifying and tracking each new job created through
8 9 financial assistance from moneys appropriated to the
8 10 department from the grow Iowa values fund.

8 11 5. The department may use moneys appropriated to the
8 12 department from the grow Iowa values fund to procure technical
8 13 assistance from either the public or private sector, for
8 14 information technology purposes, and for rail, air, or river
8 15 port transportation-related purposes. The use of moneys
8 16 appropriated for rail, air, or river port
8 17 transportation-related purposes must be directly related to an
8 18 economic development project and the moneys must be used to
8 19 leverage other financial assistance moneys.

8 20 6. Of the moneys appropriated to the department from the
8 21 grow Iowa values fund, the department may use one-half of one
8 22 percent for administrative purposes.

8 23 7. The grow Iowa values board is required to approve or
8 24 deny applications for financial assistance provided with
8 25 moneys appropriated to the department from the grow Iowa
8 26 values fund.

8 27 8. In awarding financial assistance from moneys
8 28 appropriated to the department from the grow Iowa values fund,
8 29 the grow Iowa values board shall consider the different needs
8 30 and different time frames of need for recipients. Priority
8 31 shall be given to financial assistance utilized for companies
8 32 that want to expand with immediate job growth.

8 33 9. The grow Iowa values board shall develop a weighting
8 34 system to give preference to financial assistance recipients
8 35 that produce high-quality, higher-wage jobs. The weighting
9 1 system shall apply to potential financial assistance
9 2 recipients that are within the cluster areas of advanced
9 3 manufacturing, information systems, and life sciences and to
9 4 potential recipients that partner with other potential
9 5 recipients to share and utilize the by-products of the other
9 6 potential recipient.

9 7 10. The grow Iowa values board shall consider providing
9 8 financial assistance to entrepreneurial start-up companies
9 9 that exhibit management experience and financial strength.

9 10 11. If approved by the grow Iowa values board, the
9 11 department may use moneys appropriated to the department from
9 12 the grow Iowa values fund for marketing purposes.

9 13 12. In awarding financial assistance packages, the grow
9 14 Iowa values board may include both direct financial assistance

9 15 and tax incentives for new jobs created as part of the
9 16 package.

9 17 DIVISION III
9 18 INSTITUTIONS OF HIGHER LEARNING

9 19 Sec. 10. Section 262B.1, Code 2005, is amended to read as
9 20 follows:

9 21 262B.1 TITLE.

9 22 This chapter shall be known and may be cited as the
9 23 ~~"University-Based Research and Economic Development~~
9 24 "Commercialization of Research for Iowa Act".

9 25 Sec. 11. Section 262B.2, Code 2005, is amended by striking
9 26 the section and inserting in lieu thereof the following:

9 27 262B.2 LEGISLATIVE INTENT.

9 28 It is the intent of the general assembly that the three
9 29 universities under the control of the state board of regents
9 30 have as part of their mission the use of their universities'
9 31 expertise to expand and stimulate economic growth across the
9 32 state. This activity may be accomplished through a wide
9 33 variety of partnerships, public and private joint ventures,
9 34 and cooperative endeavors, primarily in the area of high
9 35 technology, and may result in investments by the private
10 1 sector for commercialization of the technology. It is
10 2 imperative that the investments and related job creation be in
10 3 Iowa, but need not be in the proximity of the universities.
10 4 The purpose of this chapter is to expand and stimulate Iowa's
10 5 economy, increase the wealth of Iowans, and increase the
10 6 population of Iowa, which may be accomplished through research
10 7 conducted within the state that will competitively position
10 8 Iowa on an economic basis with respect to other states and
10 9 create high-wage jobs and high-growth employers. It is also
10 10 the intent of the general assembly that real or virtual
10 11 research parks be established and maintained by the
10 12 universities in close enough proximity to the ventures so that
10 13 cooperation between the academic, research, and
10 14 commercialization phases of the ventures can be encouraged.
10 15 It is the intent of the general assembly that satellites of
10 16 the research parks expand and stimulate economic growth in
10 17 other areas of the state.

10 18 Sec. 12. Section 262B.3, Code 2005, is amended to read as
10 19 follows:

10 20 262B.3 ~~ESTABLISHMENT OF CONSORTIUM DUTIES AND~~
10 21 RESPONSIBILITIES.

10 22 1. The state board of regents or the universities under
10 23 its jurisdiction, as part of its mission and strategic plan,
10 24 shall establish consortiums mechanisms for the purpose of
10 25 carrying out the intent of this chapter. The majority of
10 26 consortium members shall be from the university community and
10 27 the balance of members shall be from private industry. The
10 28 members of the consortium shall be appointed by the president
10 29 of the convening university and will serve at the pleasure of
10 30 the president. In addition to other board initiatives, the
10 31 board shall work with the department of economic development,
10 32 other state agencies, and the private sector to facilitate the
10 33 commercialization of research.

10 34 2. Activities to implement this chapter may include:

10 35 a. Developing strategies to market university research for
11 1 commercialization in Iowa.

11 2 b. Matching university resources with the needs of
11 3 existing Iowa firms or start-up opportunities.

11 4 c. Evaluating university research for commercialization
11 5 potential, where relevant.

11 6 d. Developing a plan to improve private sector access to
11 7 university licenses and patent information and the transfer of
11 8 technology from the university to the private sector.

11 9 e. Disseminating information on research activities of the
11 10 university.

11 11 f. Identifying research needs of existing Iowa businesses
11 12 and recommending ways in which the universities can meet these
11 13 needs.

11 14 g. Linking research and instruction activities to economic
11 15 development.

11 16 h. Reviewing and monitoring activities related to
11 17 technology transfer.

11 18 i. Coordinating activities to facilitate a focus on
11 19 research in the state's targeted industry clusters.

11 20 j. Surveying of similar activities in other states and at
11 21 other universities.

11 22 k. Establishing a single point of contact to facilitate
11 23 commercialization of research.

11 24 Sec. 13. Section 262B.5, Code 2005, is amended to read as
11 25 follows:

11 26 262B.5 ~~REGENTS AND DEPARTMENT OF ECONOMIC DEVELOPMENT~~
11 27 ~~REPORTING.~~

~~11 28 The state board of regents and the Iowa department of
11 29 economic development shall enter into an agreement under
11 30 chapter 28E to coordinate and facilitate the activities of the
11 31 consortiums. The state board of regents and with input from
11 32 the Iowa department of economic development shall report
11 33 annually to the governor and the general assembly concerning
11 34 the activities of the consortiums conducted pursuant to this
11 35 chapter.~~

12 1 Sec. 14. Sections 262B.4 and 262B.12, Code 2005, are
12 2 repealed.

12 3 Sec. 15. NEW SECTION. 15G.114 APPROPRIATIONS ==
12 4 UNIVERSITY AND COLLEGE FINANCIAL ASSISTANCE.

12 5 1. If moneys are appropriated to the grow Iowa values
12 6 board from the grow Iowa values fund created in section
12 7 15G.108, the board may use such moneys for financial
12 8 assistance for institutions of higher learning under the
12 9 control of the state board of regents and for accredited
12 10 private institutions as defined in section 261.9 for multiuse,
12 11 goods manufacturing processes approved by the food and drug
12 12 administration of the United States department of health and
12 13 human services, protein purification facilities for plant,
12 14 animal, and chemical manufactured proteins; accelerating new
12 15 business creation; innovation accelerators and business parks;
12 16 incubator facilities; upgrading food and drug administration
12 17 drug approval laboratories in Iowa City to a larger
12 18 multiclient, goods manufacturing processes facility; crop and
12 19 animal livestock facilities for the growing of transgenic
12 20 crops and livestock, protein extraction facilities,
12 21 containment facilities, and bioanalytical, biochemical,
12 22 chemical, and microbiological support facilities; a national
12 23 center for food safety and security; and advanced laboratory
12 24 space.

12 25 2. Notwithstanding section 8.33, moneys that remain
12 26 unexpended at the end of a fiscal year shall not revert but
12 27 shall remain available for expenditure for the designated
12 28 purposes during the succeeding fiscal year.

12 29 3. In distributing moneys appropriated to the board from
12 30 the grow Iowa values fund, the grow Iowa values board shall
12 31 examine the potential for using moneys appropriated to the
12 32 board from the grow Iowa values fund to leverage other moneys
12 33 for financial assistance to accredited private institutions.

12 34 4. In awarding moneys appropriated to the board from the
12 35 grow Iowa values fund, the grow Iowa values board shall
13 1 consider whether the purchase of suitable existing
13 2 infrastructure is more cost-efficient than building new
13 3 infrastructure.

13 4 5. An institution of higher learning under the control of
13 5 the state board of regents may apply to use financial
13 6 assistance moneys available under this section for purposes of
13 7 a public and private joint venture to acquire infrastructure
13 8 assets or research facilities or to leverage moneys in a
13 9 manner consistent with meeting the goals and performance
13 10 measures provided in section 15G.107.

13 11 Sec. 16. NEW SECTION. 15E.117 APPROPRIATIONS ==
13 12 BIOSCIENCE ENTREPRENEURSHIP.

13 13 1. If moneys are appropriated to the department of
13 14 economic development from the grow Iowa values fund, the
13 15 department may provide financial assistance to a single
13 16 association determined by the department to possess expertise
13 17 in promoting the area of bioscience entrepreneurship. The
13 18 association must be composed of representatives of both the
13 19 public and the private sector and shall be composed of
13 20 subunits or subcommittees in the areas of platform issues,
13 21 education and workforce development, commercialization,
13 22 communication, policy and governance, and finance. Financial
13 23 assistance that is awarded from moneys available under this
13 24 section shall be used for all of the following purposes:

- 13 25 a. Capacity building in key platform areas.
- 13 26 b. Entrepreneurship.
- 13 27 c. Matching grants for joint projects involving public and
13 28 private entities.
- 13 29 d. Encouragement of entrepreneurship by faculty at
13 30 institutions of higher learning.
- 13 31 e. An economic impact study for bioscience strategy.

13 32 2. Notwithstanding section 8.33, moneys that remain
13 33 unexpended at the end of a fiscal year shall not revert to any
13 34 fund but shall remain available for expenditure for the
13 35 designated purposes during the succeeding fiscal year.

14 1 Sec. 17. NEW SECTION. 262.111 STATEWIDE

14 2 COMMERCIALIZATION COORDINATOR.

14 3 1. The state board of regents and the department of
14 4 economic development shall jointly appoint a statewide
14 5 commercialization coordinator subject to confirmation by the
14 6 senate. The term for the coordinator shall be for four years.

14 7 2. The statewide commercialization coordinator shall be
14 8 located for administrative purposes within the state board of
14 9 regents and the state board of regents shall provide office
14 10 space, staff assistance, and necessary supplies and equipment
14 11 for the coordinator.

14 12 3. The statewide commercialization coordinator shall
14 13 coordinate the business development activities related to
14 14 research developed by faculty at the universities under the
14 15 control of the board and the activities of the small business
14 16 development centers and the department of economic
14 17 development.

14 18 DIVISION IV

14 19 LIVABLE COMMUNITIES

14 20 Sec. 18. Section 15E.305, subsection 2 and 4, Code 2005,
14 21 are amended to read as follows:

14 22 2. The aggregate amount of tax credits authorized pursuant
14 23 to this section shall not exceed a total of ~~two one~~ million
14 24 dollars each calendar year. The maximum amount of tax credits
14 25 granted to a taxpayer shall not exceed five percent of the
14 26 aggregate amount of tax credits authorized each calendar year.

14 27 4. A tax credit shall not be authorized pursuant to this
14 28 section after December 31, ~~2005~~ 2010.

14 29 Sec. 19. Section 15F.204, subsection 8, Code 2005, is
14 30 amended to read as follows:

14 31 8. a. There is appropriated from the rebuild Iowa
14 32 infrastructure fund to the community attraction and tourism
14 33 fund, the following amounts:

14 34 (1) For the fiscal year beginning July 1, 2004, and ending
14 35 June 30, 2005, the sum of twelve million dollars.

15 1 (2) For the fiscal year beginning July 1, 2005, and ending
15 2 June 30, 2006, the sum of ~~five ten~~ million dollars.

15 3 (3) For the fiscal year beginning July 1, 2006, and ending
15 4 June 30, 2007, the sum of ~~five ten~~ million dollars.

15 5 (4) For the fiscal year beginning July 1, 2007, and ending
15 6 June 30, 2008, the sum of ~~five ten~~ million dollars.

15 7 (5) For the fiscal year beginning July 1, 2008, and ending
15 8 June 30, 2009, the sum of ~~five ten~~ million dollars.

15 9 (6) For the fiscal year beginning July 1, 2009, and ending
15 10 June 30, 2010, the sum of ~~five ten~~ million dollars.

15 11 b. There is appropriated from the franchise tax revenues
15 12 deposited in the general fund of the state to the community
15 13 attraction and tourism fund, the following amounts:

15 14 (1) For the fiscal year beginning July 1, 2005, and ending
15 15 June 30, 2006, the sum of ~~seven fourteen~~ million dollars.

15 16 (2) For the fiscal year beginning July 1, 2006, and ending
15 17 June 30, 2007, the sum of ~~seven fourteen~~ million dollars.

15 18 (3) For the fiscal year beginning July 1, 2007, and ending
15 19 June 30, 2008, the sum of ~~seven fourteen~~ million dollars.

15 20 (4) For the fiscal year beginning July 1, 2008, and ending
15 21 June 30, 2009, the sum of ~~seven fourteen~~ million dollars.

15 22 (5) For the fiscal year beginning July 1, 2009, and ending
15 23 June 30, 2010, the sum of ~~seven fourteen~~ million dollars.

15 24 Notwithstanding the allocation requirements in subsection
15 25 5, the board may make a multiyear commitment to an applicant
15 26 of up to ~~four ten~~ million dollars in any one fiscal year.

15 27 Sec. 20. NEW SECTION. 15G.111 APPROPRIATIONS == LIVABLE
15 28 COMMUNITIES.

15 29 1. The general assembly may appropriate moneys from the
15 30 grow Iowa values fund created in section 15G.108 to the
15 31 general fund of the state for payment of tax credits approved
15 32 pursuant to section 404A.4 for projects located in certified
15 33 cultural and entertainment districts.

15 34 2. If moneys are appropriated from the grow Iowa values
15 35 fund created in section 15G.108 to the department of economic
16 1 development, the department of economic development may use
16 2 such moneys for purposes of providing financial assistance for
16 3 projects in targeted state parks and destination parks. The
16 4 department of natural resources shall submit a plan to the
16 5 department of economic development for the expenditure of
16 6 moneys appropriated to the department of economic development
16 7 from the grow Iowa values fund. The plan shall focus on
16 8 improving state parks and destination parks for economic
16 9 development purposes. Based on the report submitted, the
16 10 department of economic development shall provide financial
16 11 assistance to the department of natural resources for support
16 12 of state parks and destination parks.

16 13 3. If moneys are appropriated from the grow Iowa values
16 14 fund created in section 15G.108 to the office of the treasurer
16 15 of state, the office of the treasurer of state may deposit
16 16 such moneys in the Iowa cultural trust fund created in section
16 17 303A.4.

16 18 4. If moneys are appropriated from the grow Iowa values
16 19 fund created in section 15G.108 to the department of economic
16 20 development, the department may use such moneys for endow Iowa
16 21 grants to lead philanthropic entities pursuant to section
16 22 15E.304.

16 23 5. The general assembly may appropriate moneys from the
16 24 grow Iowa values fund created in section 15G.108 to the
16 25 general fund of the state for payment of endow Iowa tax
16 26 credits approved pursuant to section 15E.305.

16 27 6. If moneys are appropriated from the grow Iowa values
16 28 fund created in section 15G.108 to the department of economic
16 29 development, the department may use such moneys for deposit in
16 30 the loan and credit guarantee fund created in section 15E.227.

16 31 7. If moneys are appropriated from the grow Iowa values
16 32 fund created in section 15G.108 to the department of natural
16 33 resources, the department may use such moneys for the local
16 34 water quality improvement program established in section
16 35 455B.146.

17 1 8. If moneys are appropriated from the grow Iowa values
17 2 fund created in section 15G.108 to the department of economic
17 3 development, the department may use such moneys for purposes
17 4 of the main street program.

17 5 9. Notwithstanding section 8.33, moneys that remain
17 6 unexpended at the end of a fiscal year shall not revert to any
17 7 fund but shall remain available for expenditure for the
17 8 designated purposes during the succeeding fiscal year.

17 9 Sec. 21. NEW SECTION. 303.3B CULTURAL AND ENTERTAINMENT
17 10 DISTRICTS.

17 11 1. The department of cultural affairs shall establish and
17 12 administer a cultural and entertainment district certification
17 13 program. The program shall encourage the growth of
17 14 communities through the development of areas within a city or
17 15 county for public and private uses related to cultural and
17 16 entertainment purposes.

17 17 2. A city or county may create and designate a cultural
17 18 and entertainment district in urban or rural areas subject to
17 19 certification by the department of cultural affairs, in
17 20 consultation with the department of economic development. A
17 21 cultural and entertainment district shall consist of a well=
17 22 defined, compact geographic area not exceeding one square mile
17 23 in size that includes high concentrations of cultural
17 24 facilities. A cultural and entertainment district
17 25 certification shall remain in effect for ten years following
17 26 the date of certification. Two or more cities or counties may
17 27 apply jointly for certification of a district that extends
17 28 across a common boundary. Through the adoption of
17 29 administrative rules, the department of cultural affairs shall
17 30 develop a certification application for use in the
17 31 certification process. Any advisory committee established by
17 32 the department for the certification process shall have a
17 33 composition at the time of appointment whereby at least
17 34 twenty=five percent of the members are under the age of
17 35 thirty.

18 1 3. The department of cultural affairs shall encourage
18 2 development projects and activities located in certified
18 3 cultural and entertainment districts through incentives under
18 4 cultural grant programs pursuant to section 303.3, chapter
18 5 303A, and any other grant programs.

18 6 Sec. 22. NEW SECTION. 303.3C IOWA GREAT PLACES PROGRAM.

18 7 1. a. The department of cultural affairs shall establish
18 8 and administer an Iowa great places program for purposes of
18 9 combining resources of state government in an effort to
18 10 showcase the unique and authentic qualities of communities,
18 11 regions, neighborhoods, and districts that make such places
18 12 exceptional places to work and live. The department of
18 13 cultural affairs shall provide administrative assistance to
18 14 the Iowa great places board. The department of cultural
18 15 affairs shall coordinate the efforts of the Iowa great places
18 16 board with the efforts of state agencies participating in the
18 17 program which shall include, but not be limited to, the
18 18 department of economic development, the Iowa finance
18 19 authority, the department of human rights, the department of
18 20 natural resources, the department of transportation, and the
18 21 department of workforce development.

18 22 b. The program shall combine resources from state
18 23 government to capitalize on all of the following aspects of

18 24 the chosen Iowa great places:

- 18 25 (1) Arts and culture.
- 18 26 (2) Historic fabric.
- 18 27 (3) Architecture.
- 18 28 (4) Natural environment.
- 18 29 (5) Housing options.
- 18 30 (6) Amenities.
- 18 31 (7) Entrepreneurial incentive for business development.
- 18 32 (8) Diversity.

18 33 c. Initially, three Iowa great places projects shall be
18 34 identified by the Iowa great places board. Two years after
18 35 the third project is identified by the board, the board may
19 1 identify additional Iowa great places for participation under
19 2 the program.

19 3 2. a. The Iowa great places board is established
19 4 consisting of twelve members. The board shall be located for
19 5 administrative purposes within the department of cultural
19 6 affairs and the director shall provide office space, staff
19 7 assistance, and necessary supplies and equipment for the
19 8 board. The director shall budget moneys to pay the
19 9 compensation and expenses of the board. In performing its
19 10 functions, the board is performing a public function on behalf
19 11 of the state and is a public instrumentality of the state.

19 12 b. The members of the board shall be appointed by the
19 13 governor, subject to confirmation by the senate. At least
19 14 four members shall be less than thirty years old on the date
19 15 the member is appointed by the governor. The board shall
19 16 include representatives of cities and counties, local
19 17 government officials, cultural leaders, housing developers,
19 18 business owners, and parks officials.

19 19 c. The chairperson and vice chairperson shall be elected
19 20 by the board members from the membership of the board. In the
19 21 case of the absence or disability of the chairperson and vice
19 22 chairperson, the members of the board shall elect a temporary
19 23 chairperson by a majority vote of those members who are
19 24 present and voting, provided a quorum is present.

19 25 d. Members of the board shall be appointed to three-year
19 26 staggered terms and the terms shall commence and end as
19 27 provided in section 69.19. If a vacancy occurs, a successor
19 28 shall be appointed in the same manner and subject to the same
19 29 qualifications as the original appointment to serve the
19 30 unexpired term.

19 31 e. A majority of the members of the board constitutes a
19 32 quorum.

19 33 f. A member of the board shall abstain from voting on the
19 34 provision of financial assistance to a project which is
19 35 located in the county in which the member of the board
20 1 resides.

20 2 g. The members of the board are entitled to receive
20 3 reimbursement for actual expenses incurred while engaged in
20 4 the performance of official duties. A board member may also
20 5 be eligible to receive compensation as provided in section
20 6 7E.6.

20 7 3. The board shall do all of the following:

20 8 a. Organize.

20 9 b. Identify three Iowa great places for purposes of
20 10 receiving a package of resources under the program.

20 11 c. Identify a combination of state resources which can be
20 12 provided to Iowa great places.

20 13 Sec. 23. Section 404A.4, subsection 4, Code 2005, is
20 14 amended to read as follows:

20 15 4. The total amount of tax credits that may be approved
20 16 for a fiscal year under this chapter shall not exceed ~~two ten~~
20 17 million ~~four hundred thousand~~ dollars. For the fiscal years
20 18 ~~period~~ beginning July 1, 2005, ~~and July 1, 2006, an and ending~~
20 19 ~~June 30, 2010~~, additional ~~five hundred thousand dollars of tax~~

20 20 credits may be approved each fiscal year for purposes of
20 21 projects located in cultural and entertainment districts
20 22 certified pursuant to section 303.3B. Any of the additional
20 23 tax credits allocated for projects located in certified
20 24 cultural and entertainment districts that are not approved
20 25 during a fiscal year may be carried over to the succeeding
20 26 fiscal year. The department of cultural affairs shall
20 27 establish by rule the procedures for the application, review,
20 28 selection, and awarding of certifications of completion. The
20 29 departments of economic development, cultural affairs, and
20 30 revenue shall each adopt rules to jointly administer this
20 31 subsection and shall provide by rule for the method to be used
20 32 to determine for which fiscal year the tax credits are
20 33 available.

20 34 Sec. 24. NEW SECTION. 455B.196 LOCAL WATER QUALITY

20 35 IMPROVEMENT PROGRAM.

21 1 The department shall establish and administer a local water
21 2 quality improvement program designed to provide financial
21 3 assistance to encourage local communities to take a leadership
21 4 role in protecting and restoring the quality of their local
21 5 water resources. Financial assistance under the program shall
21 6 take the form of grants which shall be available as an
21 7 incentive for communities to organize, plan, and implement
21 8 improvements to their local water resources based on watershed
21 9 plans. Financial assistance under the program shall
21 10 supplement local investment and any other available state or
21 11 federal moneys.

21 12 DIVISION V

21 13 WORKFORCE TRAINING AND ECONOMIC DEVELOPMENT FUNDS

21 14 Sec. 25. NEW SECTION. 15G.115 APPROPRIATIONS ==

21 15 WORKFORCE TRAINING AND ECONOMIC DEVELOPMENT FUNDS.

21 16 1. If moneys are appropriated from the grow Iowa values
21 17 fund created in section 15G.108 to the department of economic
21 18 development, the department may use such moneys for deposit
21 19 into the workforce training and economic development funds of
21 20 the community colleges pursuant to section 260C.18A.

21 21 2. If moneys are appropriated from the grow Iowa values
21 22 fund created in section 15G.108 to the department of economic
21 23 development, the department may use such moneys for deposit
21 24 into the workforce training and economic development funds of
21 25 the community colleges pursuant to section 260C.18A for
21 26 purposes of the job retention program pursuant to section
21 27 260F.9.

21 28 Sec. 26. Section 260C.18A, subsection 2, paragraph b, Code
21 29 2005, is amended to read as follows:

21 30 b. Projects in which an agreement between a community
21 31 college and a business meet all the requirements of the Iowa
21 32 jobs training Act under chapter 260F. However, projects

21 33 funded by moneys provided by the workforce training and
21 34 economic development fund of a community college are not
21 35 subject to the maximum advance or award limitations contained
22 1 in section 260F.6, subsection 2, or the allocation limitations
22 2 contained in section 260F.8, subsection 1.

22 3 Sec. 27. Section 260C.18A, subsection 2, Code 2005, is
22 4 amended by adding the following new paragraph:

22 5 NEW PARAGRAPH. f. Training and retraining programs for
22 6 targeted industries as authorized in section 15.343,
22 7 subsection 2, paragraph "a".

22 8 Sec. 28. Section 260C.18A, subsection 5, Code 2005, is
22 9 amended by striking the subsection.

22 10 DIVISION VI

22 11 ECONOMIC DEVELOPMENT REGIONS

22 12 Sec. 29. NEW SECTION. 15E.116 APPROPRIATION == ECONOMIC
22 13 DEVELOPMENT REGIONS.

22 14 1. If moneys are appropriated from the grow Iowa values
22 15 fund created in section 15G.108 to the department of economic
22 16 development, the department may use such moneys for providing
22 17 economic development region financial assistance under section
22 18 15E.232, subsections 3, 4, 5, and 6, and under section
22 19 15E.233.

22 20 2. The general assembly may appropriate moneys from the
22 21 grow Iowa values fund created in section 15G.108 to the
22 22 general fund of the state for payment of economic development
22 23 region revolving fund contribution tax credits approved
22 24 pursuant to section 15E.232.

22 25 3. Notwithstanding section 8.33, moneys that remain
22 26 unexpended at the end of a fiscal year shall not revert but
22 27 shall remain available for expenditure for the designated
22 28 purposes during the succeeding fiscal year.

22 29 Sec. 30. NEW SECTION. 15E.231 ECONOMIC DEVELOPMENT
22 30 REGIONS.

22 31 1. In order for an economic development region to receive
22 32 moneys from the grow Iowa values fund created in section
22 33 15G.108, the organization of an economic development region
22 34 must be approved by the department. The department shall
22 35 approve an economic development region that meets the
23 1 following criteria:

23 2 a. The region consists of two or more contiguous counties.
23 3 Upon the recommendation of the director of the department of
23 4 economic development, this criterion may be waived by the
23 5 department.

23 6 b. The region establishes a single, focused economic
23 7 development effort, approved by the department, that shall
23 8 include the development of a regional development plan and
23 9 regional marketing strategies. Regional marketing strategies
23 10 must be focused on marketing the region collectively.

23 11 2. An approved economic development region may create an
23 12 economic development region revolving fund as provided in
23 13 section 15E.232.

23 14 Sec. 31. NEW SECTION. 15E.232 ECONOMIC DEVELOPMENT
23 15 REGION REVOLVING FUNDS == TAX CREDITS.

23 16 1. An economic development region approved pursuant to
23 17 section 15E.231 may create an economic development region
23 18 revolving fund.

23 19 2. a. A nongovernmental entity making a contribution to
23 20 an economic development region revolving fund, except those
23 21 described in paragraph "b", may claim a tax credit equal to
23 22 twenty percent of the amount contributed to the revolving
23 23 fund. The tax credit shall be allowed against taxes imposed
23 24 in chapter 422, divisions II, III, and V, and in chapter 432,
23 25 and against the moneys and credits tax imposed in section
23 26 533.24. An individual may claim under this subsection the tax
23 27 credit of a partnership, limited liability company, S
23 28 corporation, estate, or trust electing to have income taxed
23 29 directly to the individual. The amount claimed by the
23 30 individual shall be based upon the pro rata share of the
23 31 individual's earnings from the partnership, limited liability
23 32 company, S corporation, estate, or trust. Any tax credit in
23 33 excess of the taxpayer's liability for the tax year may be
23 34 credited to the tax liability for the following seven years or
23 35 until depleted, whichever occurs first. A tax credit shall
24 1 not be carried back to a tax year prior to the tax year in
24 2 which the taxpayer redeems the tax credit. A tax credit under
24 3 this section is not transferable.

24 4 b. Subject to the provisions of paragraph "c", an
24 5 organization exempt from federal income tax pursuant to
24 6 section 501(c) of the Internal Revenue Code making a
24 7 contribution to an economic development region revolving fund,
24 8 shall be paid from the general fund of the state an amount
24 9 equal to twenty percent of such contributed amount within
24 10 thirty days after the end of the fiscal year during which the
24 11 contribution was made.

24 12 c. The total amount of tax credits and payments to
24 13 contributors, referred to as the credit amount, authorized
24 14 during a fiscal year shall not exceed two million dollars plus
24 15 any unused credit amount carried over from previous years.
24 16 Any credit amount which remains unused for a fiscal year may
24 17 be carried forward to the succeeding fiscal year. The maximum
24 18 credit amount that may be authorized in a fiscal year for
24 19 contributions made to a specific economic development region
24 20 revolving fund is equal to two million dollars plus any unused
24 21 credit amount carried over from previous years divided by the
24 22 number of economic development region revolving funds existing
24 23 in the state.

24 24 d. The department of economic development shall administer
24 25 the authorization of tax credits under this section and
24 26 payments to contributors described in paragraph "b" and shall,
24 27 in cooperation with the department of revenue, adopt rules
24 28 pursuant to chapter 17A necessary for the administration of
24 29 this section.

24 30 3. An approved economic development region may apply for
24 31 financial assistance from the grow Iowa values fund to assist
24 32 with physical infrastructure needs related to a specific
24 33 business partner. In order to receive financial assistance
24 34 pursuant to this subsection, the economic development region
24 35 must demonstrate all of the following:

25 1 a. The ability to provide matching moneys on a one to one
25 2 basis.

25 3 b. The commitment of the specific business partner.

25 4 c. That all other funding alternatives have been
25 5 exhausted.

25 6 4. An approved economic development region may apply for
25 7 financial assistance from the grow Iowa values fund to assist
25 8 an existing business located in the economic development
25 9 region impacted by business consolidation actions. Business
25 10 consolidation actions include a substantial or total closure
25 11 of an existing business due to consolidating the existing
25 12 business out of state. In order to receive financial
25 13 assistance pursuant to this subsection, the economic
25 14 development region must demonstrate the ability to provide
25 15 matching moneys on a one-to-one basis.

25 16 5. An approved economic development region may apply for
25 17 financial assistance from the grow Iowa values fund to
25 18 implement economic development initiatives unique to the
25 19 region. In order to receive financial assistance pursuant to
25 20 this subsection, the economic development region must
25 21 demonstrate the ability to provide matching moneys on a one-

25 22 to=one basis.

25 23 6. An approved economic development region may apply for
25 24 financial assistance from the grow Iowa values fund to
25 25 implement innovative initiatives that do not qualify for
25 26 assistance under subsection 5.

25 27 7. The department may establish and administer a regional
25 28 economic development revenue sharing pilot project for one or
25 29 more regions. The department shall take into consideration
25 30 the geographical dispersion of the pilot projects. The
25 31 department shall provide technical assistance to the regions
25 32 participating in a pilot project.

25 33 8. Financial assistance under subsections 3, 4, 5, and 6
25 34 and section 15E.233 shall be limited to a total of two million
25 35 dollars each fiscal year for the fiscal period beginning July
26 1 1, 2005, and ending June 30, 2010.

26 2 Sec. 32. NEW SECTION. 15E.233 ECONOMICALLY ISOLATED
26 3 AREAS.

26 4 1. An approved economic development region may apply to
26 5 the department for approval to be designated as an
26 6 economically isolated area based on criteria as determined by
26 7 the department. An economically isolated area must consist of
26 8 at least one county meeting the county distress criteria
26 9 provided in section 15E.194. The department shall approve no
26 10 more than five regions as economically isolated areas.

26 11 2. An approved economically isolated area may apply to the
26 12 department for financial assistance from the grow Iowa values
26 13 fund of up to seven hundred fifty thousand dollars over a
26 14 five-year period for purposes of economic development-related
26 15 marketing assistance for the area. In order to receive
26 16 financial assistance pursuant to this subsection, the
26 17 economically isolated area must demonstrate the ability to
26 18 provide matching moneys on a one-to-one basis.

26 19 Sec. 33. NEW SECTION. 422.11K ECONOMIC DEVELOPMENT
26 20 REGION REVOLVING FUND CONTRIBUTION TAX CREDIT.

26 21 The taxes imposed under this division, less the credits
26 22 allowed under sections 422.12 and 422.12B, shall be reduced by
26 23 an economic development region revolving fund contribution tax
26 24 credit authorized pursuant to section 15E.232.

26 25 Sec. 34. Section 422.33, Code 2005, is amended by adding
26 26 the following new subsection:

26 27 NEW SUBSECTION. 17. The taxes imposed under this division
26 28 shall be reduced by an economic development region revolving
26 29 fund contribution tax credit authorized pursuant to section
26 30 15E.232.

26 31 Sec. 35. Section 422.60, Code 2005, is amended by adding
26 32 the following new subsection:

26 33 NEW SUBSECTION. 9. The taxes imposed under this division
26 34 shall be reduced by an economic development region revolving
26 35 fund contribution tax credit authorized pursuant to section
27 1 15E.232.

27 2 Sec. 36. NEW SECTION. 432.12F ECONOMIC DEVELOPMENT
27 3 REGION REVOLVING FUND CONTRIBUTION TAX CREDIT.

27 4 The tax imposed under this chapter shall be reduced by an
27 5 economic development region tax credit authorized pursuant to
27 6 section 15E.232.

27 7 Sec. 37. Section 533.24, Code 2005, is amended by adding
27 8 the following new subsection:

27 9 NEW SUBSECTION. 6. The moneys and credits tax imposed
27 10 under this section shall be reduced by an economic development
27 11 region revolving fund contribution tax credit authorized
27 12 pursuant to section 15E.232.

27 13 DIVISION VII
27 14 SMALL BUSINESS ADVOCACY

27 15 Sec. 38. Section 15E.17, Code 2005, is amended by adding
27 16 the following new subsection:

27 17 NEW SUBSECTION. 5. a. The department shall establish an
27 18 office of regulatory assistance for purposes of administering
27 19 regulatory assistance efforts in an effort to reduce response
27 20 time by state agencies to specific inquiries and requests from
27 21 businesses making an investment in job growth.

27 22 b. The office shall institute a system of coordinators
27 23 located in state agencies who shall facilitate communication
27 24 and improve regulatory processes. Coordinators shall work
27 25 with agency regulatory staff to establish competitive response
27 26 times for regulatory inquiries. Coordinators shall work with
27 27 the office to increase public access and business
27 28 understanding of the administrative rulemaking process and
27 29 facilitate early identification of rulemaking and other
27 30 changes that impact regulatory programs and which may have an
27 31 economic impact on business.

27 32 c. The office shall establish a goal of a three-day

27 33 maximum response time for initial responses to regulatory and
27 34 technical assistance inquiries.

27 35 d. The office shall seek input from business and industry
28 1 on needed regulatory assistance and streamlining efforts.

28 2 Sec. 39. NEW SECTION. 262.112 YOUNG ENTREPRENEURIAL
28 3 INSTITUTE.

28 4 The state board of regents through Iowa state university of
28 5 science and technology shall establish a grant program for
28 6 purposes of creating and administering a young entrepreneurial
28 7 institute. A grant recipient must have extensive experience
28 8 in small business development issues and entrepreneurial
28 9 start-up issues. A grant may be awarded to two or more joint
28 10 applicants. The institute shall be located in a central
28 11 location in the state and shall develop a curriculum that
28 12 addresses all stages of start-up business development. The
28 13 institute shall be designed to provide easy accessibility to
28 14 young entrepreneurs.

28 15 EXPLANATION

28 16 This bill relates to economic development activities.

28 17 DIVISION I == This division of the bill creates the grow
28 18 Iowa values board and fund.

28 19 The division creates a grow Iowa values board with 11
28 20 voting members appointed by the governor and with four ex
28 21 officio legislative members. The division requires various
28 22 professional experience for voting board members. The
28 23 division provides that the board shall receive advice and
28 24 recommendations from the due diligence committee; assist the
28 25 department of economic development in implementing programs
28 26 and activities in a manner designed to achieve the goals set
28 27 out in the bill; submit annual reports to the general assembly
28 28 regarding activities during the prior year; and adopt
28 29 administrative rules.

28 30 The division creates a five-member due diligence committee
28 31 consisting of voting members of the grow Iowa values board
28 32 elected annually by the voting membership. The division
28 33 provides that the committee shall determine whether a proposed
28 34 project using moneys from the grow Iowa values fund is
28 35 practical and shall provide recommendations to the grow Iowa
29 1 values board regarding any moneys proposed to be expended from
29 2 the grow Iowa values fund, with the exception of moneys
29 3 appropriated for purposes of the loan and credit guarantee
29 4 program. The division provides that the recommendations shall
29 5 be based on whether the expenditure would make the achievement
29 6 of the goals in accordance with the performance measures set
29 7 out in the bill more likely.

29 8 The division provides that financial assistance awarded by
29 9 the grow Iowa values board from moneys in the grow Iowa values
29 10 fund shall be awarded based on wage threshold requirements.
29 11 The wage thresholds are based on whether 50 percent of the
29 12 jobs created pay wages of at least a certain percentage of the
29 13 average county wage or average regional wage, whichever is
29 14 lower. The financial assistance increases as the wages
29 15 increase. The division also requires additional financial
29 16 assistance to be awarded if the recipient provides and pays at
29 17 least 80 percent of the cost of a standard medical and dental
29 18 insurance plan for all employees working at the facility in
29 19 newly created jobs.

29 20 The division provides that the grow Iowa values board, the
29 21 due diligence committee, and the department shall achieve the
29 22 goals of expanding and stimulating the state economy,
29 23 increasing the wealth of Iowans, and increasing the population
29 24 of the state. The division provides that achievement of the
29 25 goals shall be examined on a regional basis using the calendar
29 26 year 2003 as a baseline year and that the grow Iowa values
29 27 board shall identify and establish performance measures
29 28 designed to meet the goal of achieving an increase of 30
29 29 percent from the baseline performance.

29 30 The division creates the grow Iowa values fund under the
29 31 control of the department of economic development and
29 32 consisting of moneys appropriated to the fund.

29 33 DIVISION II == This division of the bill provides direction
29 34 for the expenditure of moneys if moneys are appropriated from
29 35 the grow Iowa values fund to the department of economic
30 1 development.

30 2 If moneys are appropriated to the department of economic
30 3 development, the department may use such moneys for programs
30 4 administered by the department of economic development. The
30 5 division provides for the allocation of moneys appropriated
30 6 for programs administered by the department and for the use of
30 7 one-half of 1 percent of the moneys appropriated to be used by
30 8 the department for administrative purposes.

30 9 DIVISION III == This division of the bill relates to
30 10 institutions of higher learning.
30 11 Currently, the university-based research and economic
30 12 development Act is contained in Code chapter 262B. The
30 13 division replaces the Act with duties and responsibilities for
30 14 the state board of regents in relation to commercialization of
30 15 research issues. The division requires the board to work with
30 16 the department of economic development, other state agencies,
30 17 and the private sector to facilitate the commercialization of
30 18 research. The division lists a number of activities that the
30 19 board may implement to meet the objectives of facilitating
30 20 commercialization of research.

30 21 If moneys are appropriated to the grow Iowa values board,
30 22 the board may use such moneys for financial assistance to
30 23 institutions of higher learning under the state board of
30 24 regents and to accredited private institutions for certain
30 25 economic development and bioscience-related purposes.

30 26 If moneys are appropriated to the department of economic
30 27 development from the grow Iowa values fund, the department may
30 28 provide financial assistance to a single association
30 29 determined by the department to possess expertise in promoting
30 30 the area of bioscience entrepreneurship.

30 31 The division requires the state board of regents and the
30 32 department of economic development to jointly appoint a
30 33 statewide commercialization coordinator subject to
30 34 confirmation by the senate. The division provides that the
30 35 statewide commercialization coordinator shall be located for
31 1 administrative purposes within the state board of regents and
31 2 the state board of regents shall coordinate the business
31 3 development activities related to research developed by
31 4 faculty at the universities under the control of the board and
31 5 the activities of the small business development centers and
31 6 the department of economic development.

31 7 DIVISION IV == This division of the bill amends provisions
31 8 relating to endow Iowa tax credits. Currently, the aggregate
31 9 amount of tax credits under the program cannot exceed a total
31 10 of \$2 million. The division provides that the aggregate
31 11 amount of tax credits that can be issued each calendar year
31 12 shall not exceed \$1 million. Currently, endow Iowa tax
31 13 credits cannot be authorized after December 31, 2005. The
31 14 division changes the December 31, 2005, date to December 31,
31 15 2010.

31 16 The division doubles the annual appropriations from the
31 17 rebuild Iowa infrastructure fund to the community attraction
31 18 and tourism fund from \$12 million per fiscal year to \$24
31 19 million for the fiscal period beginning July 1, 2005, and
31 20 ending June 30, 2010. Currently, the vision Iowa board may
31 21 make a multiyear commitment to an applicant of up to \$4
31 22 million in any one fiscal year. The division increases the \$4
31 23 million limit to \$10 million.

31 24 The bill provides that the general assembly may appropriate
31 25 moneys from the grow Iowa values fund to the general fund of
31 26 the state for payment of tax credits approved for projects
31 27 located in certified cultural and entertainment districts.

31 28 If moneys are appropriated from the grow Iowa values fund
31 29 to the department of economic development, the department may
31 30 use such moneys for projects in targeted state parks and
31 31 destination parks.

31 32 If moneys are appropriated from the grow Iowa values fund
31 33 to the office of the treasurer of state, the treasurer of
31 34 state may use such moneys for deposit in the Iowa cultural
31 35 trust fund.

32 1 If moneys are appropriated from the grow Iowa values fund
32 2 to the department of economic development, the department may
32 3 use such moneys for endow Iowa grants to lead philanthropic
32 4 entities.

32 5 The bill provides that the general assembly may appropriate
32 6 moneys from the grow Iowa values fund to the general fund of
32 7 the state for payment of endow Iowa tax credits.

32 8 If moneys are appropriated from the grow Iowa values fund
32 9 to the department of economic development, the department may
32 10 use such moneys for deposit in the loan and credit guarantee
32 11 fund.

32 12 If moneys are appropriated from the grow Iowa values fund
32 13 to the department of natural resources, the department may use
32 14 such moneys for the local water quality improvement program.

32 15 If moneys are appropriated to the department of economic
32 16 development, the department may use such moneys for the main
32 17 street program.

32 18 The division establishes a cultural and entertainment
32 19 district program. The cultural and entertainment district

32 20 legislation was previously enacted in 2003 and then stricken
32 21 pursuant to Rants v. Vilsack, 684 N.W.2d 193. The division
32 22 allows a city or county to create and designate a district
32 23 subject to certification by the department of cultural
32 24 affairs, in consultation with the department of economic
32 25 development. The division provides that a district shall
32 26 consist of a well-defined, compact geographic area not
32 27 exceeding one square mile in size that includes high
32 28 concentrations of cultural facilities.

32 29 The division provides that district certification is for a
32 30 period of 10 years and allows for the certification of areas
32 31 that extend across boundaries of cities and counties. The
32 32 division provides that the department of cultural affairs
32 33 shall encourage development projects and activities located in
32 34 certified cultural and entertainment districts through
32 35 incentives under cultural grant programs and any other grant
33 1 programs.

33 2 The bill requires the department of cultural affairs to
33 3 establish and administer an Iowa great places program for
33 4 purposes of combining resources of state government in an
33 5 effort to showcase the unique and authentic qualities of
33 6 communities, regions, neighborhoods, and districts that make
33 7 such places exceptional places to work and live. The bill
33 8 requires the department of cultural affairs to coordinate the
33 9 efforts of the Iowa great places board with the efforts of
33 10 state agencies participating in the program which shall
33 11 include, but not be limited to, the department of economic
33 12 development, the Iowa finance authority, the department of
33 13 human rights, the department of natural resources, the
33 14 department of transportation, and the department of workforce
33 15 development.

33 16 The bill provides that the program shall combine resources
33 17 from state government to capitalize on various aspects of Iowa
33 18 great places identified by the Iowa great places board. The
33 19 bill provides that, initially, three Iowa great places
33 20 projects shall be identified by the Iowa great places board.
33 21 The bill provides that two years after the third project is
33 22 identified by the board, the board may identify additional
33 23 Iowa great places for participation under the program.

33 24 The bill establishes an Iowa great places board consisting
33 25 of 12 members. The board shall be located for administrative
33 26 purposes within the department of cultural affairs. The bill
33 27 provides that members of the board shall be appointed by the
33 28 governor, subject to confirmation by the senate and at least
33 29 four members shall be less than 30 years old on the date the
33 30 member is appointed by the governor. The bill provides that
33 31 the board shall include representatives of cities and
33 32 counties, local government officials, cultural leaders,
33 33 housing developers, business owners, and parks officials.

33 34 The bill provides that the board shall organize, identify
33 35 three Iowa great places for purposes of receiving a package of
34 1 resources under the program, and identify a combination of
34 2 state resources which can be provided to Iowa great places.

34 3 The division of the bill provides for rehabilitation
34 4 project tax credits. The division provides that, for the
34 5 fiscal period beginning July 1, 2005, and ending June 30,
34 6 2010, additional rehabilitation tax credits may be approved
34 7 each fiscal year for purposes of projects located in certified
34 8 cultural and entertainment districts. The division allows any
34 9 additional tax credits allocated for projects located in
34 10 cultural and entertainment districts that are not approved
34 11 during a fiscal year to be carried over to the succeeding
34 12 fiscal year.

34 13 The division increases the amount of tax credits that may
34 14 be issued in a fiscal year from \$2.4 million per year to \$10
34 15 million per year.

34 16 The division requires the department of natural resources
34 17 to establish and administer a local water quality improvement
34 18 program designed to provide financial assistance to encourage
34 19 local communities to take leadership in protecting and
34 20 restoring the quality of their local water resources. The
34 21 division provides that financial assistance take the form of
34 22 grants which shall be available as an incentive for
34 23 communities to organize, plan, and implement improvements to
34 24 their local water resources based on watershed plans. The
34 25 division provides that financial assistance shall supplement
34 26 local investment and any other available state or federal
34 27 moneys.

34 28 DIVISION V == This division provides for the expenditure of
34 29 moneys appropriated from the grow Iowa values fund for
34 30 workforce training and economic development funds.

34 31 If moneys are appropriated from the grow Iowa values fund
34 32 to the department of economic development, the department may
34 33 use such moneys for deposit into the workforce training and
34 34 economic development funds of the community colleges.

34 35 If moneys are appropriated from the grow Iowa values fund
35 1 to the department of economic development, the department may
35 2 use such moneys for deposit into the workforce training and
35 3 economic development funds of the community colleges for
35 4 purposes of the job retention program.

35 5 The division provides that moneys in workforce training and
35 6 economic development funds that are used for projects in which
35 7 an agreement between a community college and a business meets
35 8 all the requirements of Code chapter 260F are not subject to
35 9 the maximum advance, award, or allocation limitations in Code
35 10 chapter 260F. The division allows moneys in workforce
35 11 training and economic development funds to be used for
35 12 training and retraining programs for targeted industries. The
35 13 division eliminates a June 30, 2010, repeal of the workforce
35 14 training and economic development funds.

35 15 DIVISION VI == This division relates to economic
35 16 development regions.

35 17 If moneys are appropriated to the department of economic
35 18 development, the department may use such moneys for providing
35 19 economic development region financial assistance.

35 20 The bill provides that the general assembly may appropriate
35 21 moneys from the grow Iowa values fund to the general fund of
35 22 the state for payment of economic development region revolving
35 23 fund contribution tax credits.

35 24 The division provides for the creation of economic
35 25 development regions which must be approved by the department
35 26 of economic development before the region may receive moneys
35 27 from the grow Iowa values fund. Such regions may create
35 28 economic development region revolving funds.

35 29 The division provides that a nongovernmental entity making
35 30 a contribution to an economic development region revolving
35 31 fund may claim a tax credit equal to 20 percent of the amount
35 32 contributed to the revolving fund. The tax credit is allowed
35 33 against personal and corporate income tax, the franchise tax
35 34 for financial institutions, the insurance premium tax, and the
35 35 moneys and credits tax for credit unions. The division allows
36 1 an organization exempt from federal income tax pursuant to
36 2 section 501(c) of the Internal Revenue Code making a
36 3 contribution to an economic development region revolving fund
36 4 to be paid from the general fund of the state an amount equal
36 5 to 20 percent of such contributed amount within 30 days after
36 6 the end of the fiscal year during which the contribution was
36 7 made. The total amount of tax credits and payments to
36 8 contributors, referred to as the credit amount, authorized
36 9 during a fiscal year shall not exceed \$2 million plus any
36 10 unused credit amount carried over from previous years. The
36 11 division provides that any credit amount which remains unused
36 12 for a fiscal year may be carried forward to the succeeding
36 13 fiscal year. The division provides that the maximum credit
36 14 amount that may be authorized in a fiscal year for
36 15 contributions made to a specific economic development region
36 16 revolving fund is equal to \$2 million plus any unused credit
36 17 amount carried over from previous years divided by the number
36 18 of economic development region revolving funds existing in the
36 19 state.

36 20 The division provides that an economic development region
36 21 may apply for financial assistance from the grow Iowa values
36 22 fund to assist with physical infrastructure needs related to a
36 23 specific business partner, to assist an existing business
36 24 located in the region impacted by business consolidation
36 25 actions, to implement economic development initiatives unique
36 26 to the region, or to implement innovative initiatives that do
36 27 not otherwise qualify for financial assistance. The division
36 28 allows the department to establish and administer a regional
36 29 economic development revenue sharing pilot project for one or
36 30 more regions. The division limits financial assistance to
36 31 economic development regions to a total of \$2 million each
36 32 fiscal year for the fiscal period beginning July 1, 2005, and
36 33 ending June 30, 2010.

36 34 The division allows an approved economic development region
36 35 to apply to the department for approval to be designated as an
37 1 economically isolated area based on criteria as determined by
37 2 the department. An economically isolated area must consist of
37 3 at least one county meeting the county distress criteria
37 4 provided under the enterprise zone program. The division
37 5 limits the number of economically isolated areas to five
37 6 regions. The division provides that an approved economically

37 7 isolated area may apply for financial assistance from the grow
37 8 grow Iowa values fund of up to \$750,000 over a five-year
37 9 period for purposes of economic development-related marketing
37 10 assistance for the area.

37 11 DIVISION VII == This division relates to small business
37 12 advocacy.

37 13 The division requires the department of economic
37 14 development to establish an office of regulatory assistance
37 15 for purposes of administering regulatory assistance efforts in
37 16 an effort to reduce response time by state agencies to
37 17 specific inquiries and requests from businesses making an
37 18 investment in job growth. The division requires the office to
37 19 institute a system of coordinators located in state agencies
37 20 who are required to facilitate communication and improve
37 21 regulatory processes. The division requires the office to
37 22 establish a goal of a three-day maximum response time for
37 23 initial responses to regulatory and technical assistance
37 24 inquiries. The division requires the office to seek input
37 25 from business and industry on needed regulatory assistance and
37 26 streamlining efforts.

37 27 The division requires the state board of regents through
37 28 Iowa state university of science and technology to establish a
37 29 grant program for purposes of creating and administering a
37 30 young entrepreneurial institute in a central location in the
37 31 state. Grant recipients must have extensive experience in
37 32 small business development issues and entrepreneurial start-up
37 33 issues.

37 34 LSB 2684SC 81
37 35 tm:rj/cf/24.2